

REGISTRAR OF COMPANIES

Equality Challenge Unit

Annual Report and Financial Statements

31 March 2013

Company Limited by Guarantee
Registration Number
05689975 (England and Wales)

Charity Registration Number
1114417

Scottish Charity Registration Number
SC043601

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Reference and administrative information

Trustees	Margaret Ayers Janet Beer Chris Brink Mark Cleary Neva Haates OBE Patrick Johnson Michael MacNeil Finn McGoldrick Paul Olomolaye Colin Riordan John Ryan Rosemary Stamp Barbara Stephens OBE
Company Secretary	Juliet Adams
Chief Executive	David Ruebain
Registered office	7 th Floor Queens House 55/56 Lincoln's Fields London, WC2A 3LJ
Company registration number	05689975 (England and Wales)
Charity registration number	1114417
Scottish Charity registration number	SC043601
Auditors	Buzzacott LLP 130 Wood Street London, EC2V 6DL
Bankers	The Co-op Bank 62-64 Southampton Row Holborn London, WC18 4ND
Solicitors	Mills & Reeve LLP Francis House 112 Hills Road Cambridge, CB2 1PH

Trustees' report 31 March 2013

The Trustees present their statutory report together with the financial statements of Equality Challenge Unit ('ECU') for the year ended 31 March 2013

This report has been prepared in accordance with Part 8 of the Charities Act 2011

The financial statements have been prepared in accordance with the accounting policies set out on pages 17 and 18 of the attached financial statements and comply with ECU's memorandum and articles of association, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005

GOVERNANCE, STRUCTURE AND MANAGEMENT

Constitution

ECU was incorporated on 27 January 2006 as a company limited by guarantee under company registration number 05689975. On 31 May 2006, ECU registered as a charity in England and Wales under registration number 1114417 and, on 28 November 2012, ECU registered as a charity with the Office of the Scottish Charity Regulator

Members' liability

The liability of members in the event of winding up is limited to £1 per member

Trustees

The Trustees in office during the year were as follows

Trustee	Appointed/ Resigned/ Retired
Margaret Ayers	Appointed 4 July 2012
Janet Beer	
Chris Brink	
Mark Cleary	
Felicity Cooke	Retired 4 July 2012
Tariq Durrani OBE	Retired 4 July 2012
Neva Hailes OBE	Appointed 21 August 2012
Patrick Johnson	Appointed 4 July 2012
Michael MacNeil	
Finn McGoldrick	Appointed 4 July 2012
Paul Olomolaiye	
Colin Riordan	
Jennifer Share	Resigned 25 October 2012
Rosemary Stamp	
Barbara Stephens OBE	
David G Williams	Retired 4 July 2012

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

An additional Trustee, John Ryan was appointed on 11 April 2013

No Trustee received any remuneration for services as a trustee (2012 – none) Travelling and subsistence expenses of £4,310 (2012 – £4,215) were reimbursed to 12 Trustees (2012 – 11 Trustees) during the year

Recruitment and appointment

Four of the current trustees were initially recruited via advertisement and nine via nominations from Guild HE/Universities UK (UUK) (five), Universities Human Resources, National Union of Students, Universities Scotland and Joint Negotiating Committee for Higher Education Staff Following the annual Board rotation at the July 2013 meeting, ECU will have no vacancies for Board members

Induction and training

On appointment, trustees receive a range of information including ECU's programme for the current year, the current strategic plan, the Articles of Association, the existing funding agreement, the annual report and financial statements for the previous year, the Annual Review for the previous year, minutes from the most recent Board meetings and dates for future meetings New Board members also meet with the Chief Executive of ECU

Each year an externally facilitated development session is held to allow for discussion and debate about the strategic direction and priorities of ECU This is next scheduled to take place in October 2013

Statement of Trustees' responsibilities

The Trustees (who are also directors of ECU for the purposes of company law) are responsible for preparing the Trustees' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period In preparing these financial statements, the Trustees are required to

- ♦ select suitable accounting policies and then apply them consistently,
- ♦ observe the methods and principles in the Statement of Recommended Practice (Accounting and Reporting by Charities) (the Charities' SORP),
- ♦ make judgements and estimates that are reasonable and prudent,
- ♦ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Trustees confirms that

- ◆ so far as the Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- ◆ the Trustee has taken all the steps that he/she ought to have taken as a Trustee in order to make himself/herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Organisation

The day-to-day responsibility for managing ECU is delegated to its officers under the direction of the Chief Executive (CEO).

ECU's CEO reports regularly to the Trustees, either individually or at the quarterly meetings of the Trustees. Trustees are provided with written materials setting out the matters that are to be discussed at these meetings for consideration prior to the meeting. The Board of Trustees met in April, July and October 2012 and January 2013.

The Audit and Risk Committee met in June and September 2012 and January 2013. The main responsibilities of the Audit and Risk Committee are to monitor and review the effectiveness of the risk management, control and governance arrangements, review the audit aspects of the financial statements, consider and advise the Board on the appointment and terms of reference of the external auditors, review the nature and scope of the external audit process, advise the Board on requirements in respect of internal audit, monitor the performance and effectiveness of external and internal audit, ensure all significant losses are properly investigated and receive and consider any relevant reports from the National Audit Office.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management

The Trustees have assessed the major risks to which ECU is exposed, in particular those relating to the specific operational areas of the charity, its investments and its finances. The Trustees believe that by monitoring reserves levels, by ensuring controls exist over key financial systems, and by examining the operational and business risks faced by ECU, they have established effective systems to mitigate those risks. The risk register is reviewed by the Senior Management Team every two months and at each Audit and Risk Committee meeting, held three times per year. It is then presented at each Board meeting, held quarterly, and each Funders' Forum, held twice yearly.

OBJECTIVES AND ACTIVITIES

ECU's mission is to work to further and support equality and diversity of the staff and students in higher education (HE) across all four nations of the UK, and in colleges in Scotland.

Objectives

- 1 To position the work of ECU in light of the dramatically changing economic and funding environment to assist institutions in meeting these challenges (evolve)
- 2 To assist institutions in embedding the requirements and ambitions of equality legislation within the HE sector, in particular the Equality Act 2010 and the abolition of the default retirement age (assist)
- 3 To work with institutions to develop strategies and methodologies to transform systemic or cultural practices and approaches which unfairly exclude, marginalise or disadvantage individuals or groups (transform) and
- 4 To progress the development of methods to gather and use evidence of, and data on, equality and diversity within the HE sector at a national and local level (understand)

Public benefit

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. The aims and objectives set out above are largely focused on working with the HE sector. The ultimate beneficiaries are the staff and students within this sector.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

The overwhelming majority of projects in the 2012 programme were completed successfully and those few remaining have been carried over into 2013. The 2013 programme falls under four broad headings: evolve, assist, transform and understand.

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

A selection of the projects completed or under way in the year ended 31 March 2013 is set out below

Evolve (objective 1)

- ◆ Addressing disparities in selection rates to the Research Excellence Framework (REF) – providing the sector with general guidance and practical initiatives to support all researchers in their career development, whilst acknowledging the nuances of researching different disciplines and the different resources available within different institutions
- ◆ Governing bodies and diversity – exploring the diversity within governing bodies and supporting governors' development needs in relation to equality

Assist (objective 2)

- ◆ Promoting good relations on campus – updating guidance to enable Higher Education Institutions (HEIs) to develop strategies to promote good relations on campus
- ◆ Equality and diversity guidance for academic staff (Scotland) – resources on equality and diversity for academic staff
- ◆ Achieving equality objectives (Wales and Northern Ireland)– supporting HEIs in Wales and Northern Ireland in finding effective methods to achieve the equality objectives
- ◆ Measuring progress on equality qualitative evidence – guidance to help HEIs track and demonstrate their performance on equality using qualitative evidence

Transform (objective 3)

- ◆ Athena SWAN – promoting and recognising good employment practice for women working in science, technology, engineering, mathematics and medicine (STEMM) in Higher Education (HE) There are now 87 members of the Charter and 179 award holders
- ◆ Advancing women's careers in STEMM evaluating the effectiveness and impact of the Athena Swan Charter – assessing the impact of the Charter across the HE sectors determine its effectiveness as a vehicle for sustainable change
- ◆ Recognising good practice in systemic change for gender and for race – piloting employment related initiatives to advance gender and race equality and identify and share effective practice
- ◆ Supporting international staff in HE – investigating the experiences and support needs of international staff

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

Transform (objective 3) (continued)

- ◆ Attracting international students equitable support, campus cohesion and community engagement - investigating the benefits of placing equality and diversity at the centre of the international student experience
- ◆ Mainstreaming equality through governance and management programme - continuing to support Scottish HEIs mainstream equality through mobilising governance and management
- ◆ Mainstreaming equality managing change in changing times - continuing to support Scottish colleges to mainstream equality as they moved to new regional structures
- ◆ Anticipating barriers to people with different impairments - supporting HEIs in developing inclusive approaches that consider the requirements of disabled staff and students with a range of different impairments
- ◆ Supporting staff and students who are experiencing mental health difficulties - supporting staff in promoting the inclusivity of HE for staff and students experiencing mental health difficulties
- ◆ Unconscious bias - combating unconscious bias in recruitment and selection
- ◆ Access, retention and success, aligning widening participation
- ◆ Student services and equality - examining the working practices and links between different student services and equality and diversity teams to understand how they work together to support and promote equality and improve retention and attainment rates
- ◆ Equitable student support services in colleges - identifying effective approaches to student support that promotes equality
- ◆ Progressing careers in HE diversity in leadership - tracking the career trajectories of alumni from the Leadership Foundation for Higher Education's Top Management Programme

Understand (objective 4)

- ◆ Equality statistical reports - overview of equality challenges facing UK HEIs and colleges in Scotland to help inform institutions' equality objectives and prioritise their actions for change
- ◆ Atypical staff - investigating methods of the successful collection of data on non-academic atypical staff and how this can be used to inform an HEI's policies and practices

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

In addition, the following activities ensure ECU's timely and effective communications with the sector

- ◆ **Web resources**
Up-to-date equality news for HE, publications, inclusive practice case studies from the sector and information on all ECU projects and activities
- ◆ **Advice service**
An advice service to respond to enquiries from HEIs on equality matters
- ◆ **Equalitylink**
Monthly email bulletin keeping the sector updated on relevant equality and diversity developments and issues
- ◆ **National conference**
The theme for the biennial conference in 2012 was 'Enhancing reputation Adding value through equality' and was held in Nottingham on 20/21 November The next one will take place in 2014

FINANCIAL REVIEW

Financial report for the year

The charity's total incoming resources for the year ended 31 March 2013 were £1,770,909 (2012 - £1,568,318) The net movement in funds was £106,175 (2012 - £73,252)

2012/13 included ECU's third biennial conference and Higher Education Funding Council for England's (HEFCE) midpoint progress review

ECU welcomed the opportunity to review its work at the midpoint of the current five-year funding period The progress review comprised a self-evaluation report submitted by ECU and a review and response from HEFCE Overall the outcome was successful and confirmation of the remainder of the funding from 2013-2015 is now due from the funders

ECU exceeded its self set target for income generation in 2012/13, to generate non-core income equivalent to 25% of total income from all non-core income generating sources, achieving 29.6% This was largely attributable to ECU renewing its funding from the Scottish Funding Council (SFC) for work to support colleges providing further education (see below) but also to projects funded by additional non-core income such as Athena SWAN and income derived from ECU's bespoke services work Currently, ECU undertakes modest amounts of paid for training and other bespoke work and operates a sector and non-sector charge out rate for the different job roles undertaking this work Whilst ECU is not VAT registered, the charge out rates include a provision for VAT and are calculated such as to ensure that these services are not subsidised by core funds In 2012/13 ECU's self set target for generating income from bespoke services work was 2.5% of core income, whilst it achieved 1.2%

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

In consultation with the Remuneration Committee, pay awards for 2012/13 comprised a 1% spine shift to reflect cost-of-living and an incremental step for all those who achieved 'effective' in their annual performance review. This year the performance rating 'exceptional' did not result in an additional pay award.

At the 2011/12 year end the funds originally designated for costs associated with dilapidations and relocation had ECU not renewed its lease in Lincoln's Inn fields, remained for office improvement due to take place in 2012/13. The main drivers for this were to create a more amenable working environment, to improve team communications and to optimise space to accommodate more staff. This project concluded in November 2012 and although costs incurred amounted to in excess of £60,000, a large proportion of this has been capitalised.

ECU's activities to further equality and diversity in the sector in 2012/13 comprised nearly 30 projects including related events and workshops, delivery of the Athena SWAN Charter and awards, production and solution of publications, guidance and materials, provision of an advice service, website and communications and attendance at conferences. Any projects under spent due to unforeseen delays and changes to project briefs once underway have been reallocated to 2013/14. Aside from Athena SWAN, projects which incurred significant expenditure in 2012/13 included the office refurbishment, the equality data in HE report and its further education (FE) counterpart, the various strands of the mainstreaming equality projects in Scotland and the biennial conference. This year ECU managed to re-coup 63% of costs incurred at the biennial conference compared to only 50% in 2010/11. This was largely due to the fact that ECU managed to secure a very competitive delegate rate at a new purpose-built conference venue in Nottingham.

Project work continues to account for approximately 70% of ECU's overall expenditure in 2012/13, with a percentage of staff/governance time and overheads applied to project budgets based on the amount of time spent on project work by the various staff teams. The percentage applied is based on a snapshot of salaries at 1 April each year. Project management is also on the list of key areas for internal audit, which was due to take place in 2012 but has been postponed until the latter half of 2013.

Funding from SFC to support work with universities and colleges continues and has been confirmed until July 2015. This includes a contribution to core costs as well as specific non-core income for HE and FE projects.

In response to the recommendations of the Royal Society of Edinburgh report 'Tapping all our talents' and also in response to the SFC outcome agreement template for HEIs which include Athena SWAN activity within the widening access section, SFC agreed to fund £20,000 per annum for two years to help resource increased support in this area. The money has been used in part to fund a new Athena SWAN Adviser to support the increased workload and specifically Scottish HEIs. This is alongside the continuing funding from the Department of Health (DoH) which expires next year, and other support from the Royal Society and Biochemical Society.

FINANCIAL REVIEW (continued)

Financial report for the year (continued)

In addition, ECU introduced a membership fee of £1,000 per annum per institution from April 2012 and delegates attending the annual awards ceremony also now pay a small delegate fee. The membership fee is set to double from April 2014.

In September 2012, ECU was approached by the Centre National de Recherche Scientifique to consider being a partner in their submission of a bid to the European Commission for a project to create a network exploring and developing transnational activity to promote the gendering of research content and promote gender equality in research careers, which fits in well with the work already underway to independently evaluate the Athena SWAN charter mark. The bid, submitted in February 2013, was successful and the project will hopefully commence at the end of 2013/early 2014. ECU's share of the bid is €116,487 over a three-year period.

ECU is also working with the Office for Fair Access (OFFA) to develop a data report on the intersection between socio-economic background and equality and diversity. Due to this work being student facing, use of core funding for this purpose was not granted by HEFCE but OFFA has confirmed that it will contribute the lion's share, with the balance to be funded by ECU's bespoke service income.

Lastly, other potential income streams include further funding for Athena SWAN from the DoH, Pfizer and the Wellcome Trust.

The agreed funding totals per calendar year remain as below:

Funding body	Total per annum £
HEFCE	938,508
Higher Education Funding Council for Wales (HEFCW)	57,932
Department for Employment and Learning, Northern Ireland (DELNI)	23,172
UUK	77,892
GuildHE	9,740
SFC	139,038

FINANCIAL REVIEW (continued)

Investment policy

An ethical investment policy ensures that all investments made directly by ECU are socially responsible

Specifically it requires that any investments

- i Align with ECU's missions, aims and objectives, and those of its funders,
- ii Avoid conflicts of interest and minimise risk,
- iii Take account of social, environmental and ethical considerations, and
- iv Are made in consultation with the Audit and Risk Committee and follow Charity Commission guidance

These are currently held in a guaranteed investment deposit account at the same bank as ECU's current account

Reserves and financial position

The balance sheet shows general funds of £873,821 (2012 - £635,375) and designated funds of £59,563 (2012 - £80,453), all of which are unrestricted £30,952 (2012 - £9,236) of the general funds balance is represented by the charity's tangible fixed assets, which are not convertible into cash with ease, leaving free reserves of £842,869 (2012 - £626,139) While this is £10,000 over ECU's reserves policy (see following paragraph), which is equivalent to 0.8% of core funding, it is worth noting that although core income during the year was the majority share, £524,623 (29.6%) came from non-core sources. Non-core income tends not to be subject to the same terms as core funding and contributions may therefore be made in advance of need.

ECU's reserves policy was reviewed by the Board in July 2011 and is now to maintain undesignated general funds equivalent to six months total operating costs (£832,367 at 31 March 2013) of the charity. This is in order to ensure that in the event that the predominant risk to the organisation occurs, this being the withdrawal of core funding or other major loss of income, the charity has sufficient funds to ensure the orderly continuation of operation to close or acquire other funding sources, without risk of trading while insolvent. In particular, this enables ECU to meet the notice requirements of its existing lease. A significant proportion of the reserves are held on deposit in a separate account to the main operating funds of the charity with the remainder serving as working capital. Any investment of reserves will be in accordance with ECU's Ethical Investment Policy.

Core funding contributions from HEFCE continue to be made monthly rather than quarterly, on submission of a monthly cash flow forecast, to assist ECU in managing its cash flow within its reserves policy. At the end of the 2012/13 financial year one monthly instalment remains outstanding, although HEFCE has confirmed this will not be lost and can be carried over to 2013/14.

PLANS FOR FUTURE PERIODS

Future funding

Whereas previously all six funders signed one funding agreement, five separate ones exist for the current funding period, one for HEFCE and HEFCW, one for SFC, one for DELNI and two separate ones for UUK and GuildHE. The funding levels set in 2011 remain unchanged.

HEFCE and the other funding bodies anticipate that ECU will continue to seek income from other sources to supplement the grant paid by them to ECU. As long as ECU works within its constitution, funders agree that the Unit will set its own agenda using funding from external sources outside core funding. As a result, work to progress the income generation agenda is an ongoing priority at ECU.

Signed on behalf of the Trustees by

Chris Brink
Trustee



Approved by the Board on 17.07.2013.

Independent auditor's report 31 March 2013

Independent auditor's report to the members of Equality Challenge Unit

We have audited the financial statements of Equality Challenge Unit for the year ended 31 March 2013 which comprise the statement of financial activities, the balance sheet, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the charity's trustees, as a body, in accordance with Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

The Trustees are also the directors of the charitable company for the purposes of company law. As explained more fully in the Trustees' Responsibilities Statement set out in the Trustees' Annual Report, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under Section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

Independent auditor's report 31 March 2013

Opinion on financial statements

In our opinion the financial statements

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 March 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended),
- ◆ in all material respects, income from the Higher Education Funding Council for England and income for specific purposes and from other restricted funds administered by the charity have been applied for the purposes for which they were received, and
- ◆ in all material respects, income has been applied in accordance with the charity's statutes and where appropriate with the funding agreement with the Higher Education Funding Council for England

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- ◆ the financial statements are not in agreement with the accounting records and returns, or
- ◆ certain disclosures of Trustees' remuneration specified by law are not made, or
- ◆ we have not received all the information and explanations we require for our audit



Katharine Patel, Senior Statutory Auditor
for and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

30 July 2013

Statement of financial activities Year to 31 March 2013

	Notes	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Income and expenditure					
Incoming resources					
Incoming resources from generated funds					
Interest receivable		6,988	—	6,988	5,829
Incoming resources from charitable activities					
Promotion of equality	1	1,385,205	367,303	1,752,508	1,561,884
Other incoming resources	2	11,413	—	11,413	605
Total incoming resources		1,403,606	367,303	1,770,909	1,568,318
Resources expended					
Charitable activities					
Promotion of equality		1,102,378	481,526	1,583,904	1,417,041
Governance costs		80,830	—	80,830	78,025
Total resources expended	3	1,183,208	481,526	1,664,734	1,495,066
Net incoming (outgoing) resources before transfers		220,398	(114,223)	106,175	73,252
Transfers between funds	12	(2,842)	2,842	—	—
Net movement in funds	4	217,556	(111,381)	106,175	73,252
Balances brought forward at 1 April 2012		715,828	137,429	853,257	780,005
Balances carried forward at 31 March 2013		933,384	26,048	959,432	853,257

There is no difference between the net movement in funds stated above and the historical cost equivalent

All of the charity's activities derived from continuing operations during the above two financial periods

The charity has no recognised gains and losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet 31 March 2013

	Notes	2013 £	2013 £	2012 £	2012 £
Tangible fixed assets	7		30,952		9,236
Debtors receivable after more than one year	8		37,543		37,525
Current assets					
Debtors	9	147,923		444,933	
Cash at bank and in hand		861,538		483,249	
		1,009,461		928,182	
Creditors amounts falling due within one year	10	(118,524)		(121,686)	
Net current assets			890,937		806,496
Total net assets			959,432		853,257
Represented by					
Funds and reserves					
<i>Income funds</i>					
Unrestricted funds					
General fund			873,821		635,375
Designated funds	11		59,563		80,453
			933,384		715,828
Restricted funds	12		26,048		137,429
			959,432		853,257

Approved by the Trustees and signed on their behalf by

Chris Brink
Trustee



Approved on 17.07.2013.

Company Registration Number 05689975 (England and Wales)

Principal accounting policies 31 March 2013

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2005) have been followed in these financial statements

Cash flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'

Incoming resources

Incoming resources are recognised in the period in which ECU is entitled to receipt and the amount can be measured with reasonable certainty Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor or funder has specified that the income is to be expended in a future accounting period

Resources expended

Expenditure is included in the statement of financial activities when incurred

Resources expended comprise the following

- a The costs of charitable activities comprise expenditure on the charity's primary charitable purpose i.e. promotion of equality All central overhead costs relate to this core activity
- b Governance costs comprise costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements

Tangible fixed assets

All tangible fixed assets costing more than £2,000 and with an expected useful life exceeding one year are capitalised

Depreciation is provided at the following annual rates on a straight line basis in order to write off the cost of each asset over its estimated useful life

- | | |
|------------------------------------|------|
| ♦ Computer equipment | 33⅓% |
| ♦ Furniture, fixtures and fittings | 25% |

Principal accounting policies 31 March 2013

Leased assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight line basis over the lease term

Fund accounting

The unrestricted general fund comprises those monies which may be used towards meeting the charitable objectives of ECU at the discretion of the Trustees

The designated funds are monies or assets set aside out of general funds for specific purposes by the Trustees

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions

Pensions

ECU participates in the Universities Superannuation Scheme (USS) USS is a defined benefit scheme which is externally funded and contracted out of the State Earnings Related Pension Scheme The fund is valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the Trustees on the advice of the actuary In the intervening years the actuary reviews the progress of the scheme

USS is a multi-employer defined benefit scheme and it is not possible to identify the assets and liabilities attributable to ECU In accordance with FRS 17, the scheme is accounted for as if it was a defined contribution scheme

Notes to the financial statements 31 March 2013

1 Incoming resources from charitable activities – promotion of equality

	Unrestricted fund £	Restricted funds £	2013 Total £	2012 Total £
HEFCE	938,508	—	938,508	967,008
SFC	139,041	60,960	200,001	220,000
HEFCW	57,932	—	57,932	57,932
DELNI	23,172	—	23,172	23,172
GuildHE	9,740	—	9,740	9,740
UUK	77,892	—	77,892	77,892
Athena SWAN				
Royal Society	—	20,000	20,000	20,000
DoH	—	99,850	99,850	—
Membership fees	74,333	—	74,333	—
Biochemical Society	—	2,000	2,000	2,000
Award ceremony charges	5,350	—	5,350	1,225
SFC	—	—	—	5,000
HEFCE	—	—	—	1,425
WISE (formerly UK Resource Centre)	—	—	—	8,000
SFC (Further Education Colleges)	—	184,493	184,493	123,653
Biennial Conference	44,165	—	44,165	—
Leadership Foundation for Higher Education	—	—	—	12,898
Fee based income	15,072	—	15,072	31,939
	1,385,205	367,303	1,752,508	1,561,884

2 Other incoming resources

	2013 Total £	2012 Total £
Project refund received	10,000	—
Miscellaneous income	1,413	605
	11,413	605

3 Analysis of total resources expended

	Staff costs (note 6) £	Other direct costs £	Support costs £	2013 Total £
Charitable activities – promotion of equality	876,522	490,990	216,392	1,583,904
Governance costs	65,481	15,349	—	80,830
	942,003	506,339	216,392	1,664,734

Notes to the financial statements 31 March 2013

3 Analysis of total resources expended (continued)

	2013 Total £	2012 Total £
Analysis of support costs		
Rent, rates and storage	113,275	103,753
Repairs	24,458	27,084
Insurance	2,811	3,799
Other premises costs	11,755	11,797
General office administration	18,668	15,565
Professional expenses	24,588	23,253
Depreciation	19,547	10,075
Other costs	1,290	1,154
	216,392	196,480

	2013 Total £	2012 Total £
Analysis of governance costs		
Staff costs	65,481	58,796
Staff related costs	51	49
Audit fees	8,340	8,850
Trustees' travel expenses	5,061	5,983
Trustees' indemnity insurance	1,897	1,897
Board development	—	2,450
	80,830	78,025

4 Net movement in funds

This is stated after charging

	2013 £	2012 £
Staff costs (note 6)	942,003	811,966
Operating lease rentals	75,000	75,000
- land and buildings		
- other	197	197
Auditor's remuneration	8,340	8,850
- audit		
- other services	2,646	3,184
Depreciation (note 7)	19,547	10,075

Notes to the financial statements 31 March 2013

5 Taxation

ECU is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities

6 Staff costs and Trustees' remuneration

	2013 £	2012 £
Staff costs during the year were as follows		
Wages and salaries	751,381	657,020
Social security costs	68,844	57,885
Other pension costs	118,313	95,900
Total permanent staff costs	938,538	810,805
Temporary staff	3,465	1,161
	942,003	811,966

The average number of employees during the year (expressed as full-time equivalents) was as follows

	2013	2012
Promotion of equality	14.9	10.5
Support	2.3	4.5
Governance	0.7	0.8
	17.9	15.8

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows

	2013	2012
£90,001 - £100,000	1	1

No Trustee received any remuneration in respect of their services as a trustee during the year (2012 – none). Travelling and subsistence expenses of £4,310 (2012 – £4,215) were reimbursed to 12 Trustees (2012 – 11 Trustees).

The Trustees purchased indemnity insurance at a cost of £1,897 (2012 – £1,897) for the year. The policy provides indemnity for the Trustees' executive and professional liability to a limit of £1,000,000.

Notes to the financial statements 31 March 2013

7 Tangible fixed assets

	Computer equipment £	Office furniture and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 April 2012	27,690	31,168	95,146	154,004
Additions	—	13,148	28,115	41,263
Disposals	—	(3,760)	—	(3,760)
At 31 March 2013	<u>27,690</u>	<u>40,556</u>	<u>123,261</u>	<u>191,507</u>
Depreciation				
At 1 April 2012	18,459	31,165	95,144	144,768
Charge for year	9,231	3,287	7,029	19,547
Eliminated on disposal	—	(3,760)	—	(3,760)
At 31 March 2013	<u>27,690</u>	<u>30,692</u>	<u>102,173</u>	<u>160,555</u>
Net book value				
At 31 March 2013	<u>—</u>	<u>9,864</u>	<u>21,088</u>	<u>30,952</u>
At 31 March 2012	<u>9,231</u>	<u>3</u>	<u>2</u>	<u>9,236</u>

8 Debtors' receivable after more than one year

	2013 £	2012 £
Rent deposit	<u>37,543</u>	<u>37,525</u>

9 Debtors

	2013 £	2012 £
Amounts due from HEFCE	78,209	394,970
Amounts due from Department of Health	24,963	—
Trade debtors	8,003	3,718
Prepayments	33,579	45,418
Other debtors	3,169	827
	<u>147,923</u>	<u>444,933</u>

At 31 March 2012 there were amounts due from HEFCE which included one quarterly payment from October 2011 and two monthly payments from February and March 2012. At 31 March 2013 there is an amount due from HEFCE relating to one monthly payment from March 2012.

Notes to the financial statements 31 March 2013

10 Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	53,495	60,734
Social security and other taxes	21,818	17,636
Other creditors	16,392	12,369
Accruals and deferred income	26,819	30,947
	118,524	121,686

11 Designated funds

In previous years, funds received as a result of a claim for charitable rate relief were designated by the Trustees to an office improvement fund

	At 1 April 2012 £	New designations £	Utilised in year £	At 31 March 2013 £
Office improvements	80,453	—	(20,890)	59,563

12 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust to be applied for specific purposes

	At 1 April 2012 £	Incoming resources £	Resources expended £	Transfers between funds £	At 31 March 2013 £
Athena SWAN					
Royal Society	12,734	20,000	(32,734)	—	—
HEFCE	28,500	—	(28,500)	—	—
Biochemical Society	—	2,000	(2,000)	—	—
DoH	—	99,850	(102,692)	2,842	—
Further Education colleges (SFC)	81,392	184,493	(257,439)	—	8,446
Specific projects	14,803	60,960	(58,161)	—	17,602
	137,429	367,303	(481,526)	2,842	26,048

Transfers from unrestricted funds

The transfers from unrestricted funds have been made in order to meet costs of the Athena SWAN work which were not supported by the funding from the DoH

Notes to the financial statements 31 March 2013

12 Restricted funds (continued)

Major restricted funds

Athena SWAN

In 2012/13 the Charter was funded by ECU, with support from the Royal Society, the DoH and the Biochemical Society. In addition, an annual membership fee of £1,000 took effect from April 2012 and members are also charged a small sum for their attendance at the annual awards ceremony.

Further education colleges

SFC funding from college strategic funds for provision of equality and diversity support to Scottish colleges, totalling £184,493 in 2012/13.

Specific projects

Specific funding from SFC's Horizon Fund for Universities for Scottish projects selected by the Scottish liaison group, totalling £60,960 per annum.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total 2013 £	Total 2012 £
Fund balances at 31 March 2013 are represented by				
Tangible fixed assets	30,952	—	30,952	9,236
Debtors recoverable after more than one year	37,543	—	37,543	37,525
Current assets	983,413	26,048	1,009,461	928,182
Creditors amounts falling due within one year	(118,524)	—	(118,524)	(121,686)
Total net assets	933,384	26,048	959,432	853,257

14 Leasing commitments

Operating leases

At 31 March 2013 ECU had annual commitments under non-cancellable operating leases as follows:

	Land and buildings £	Other £	2013 Total £	2012 Total £
Operating leases which expire				
Within two to five years	75,000	197	75,197	75,197

Notes to the financial statements 31 March 2013

15 Liability of members

The charity is constituted as a company limited by guarantee. In the event of the charity being wound up members are required to contribute an amount not exceeding £1.

16 Pensions

Universities Superannuation Scheme

ECU participates in USS, a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each entity's share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", contributions to the scheme are accounted for as if it were a defined contribution scheme, the cost recognised within the statement of financial activities being equal to the contributions payable to the scheme for the year.

The latest actuarial valuation of the scheme was at 31 March 2011. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e., the valuation rate of interest) and the rates of increase in salary and pensions. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (plus an additional allowance for increases in salaries due to age and promotion in line with recent experience) and pensions would increase by 3.4% per annum. To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.4% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for the past service liabilities) and pensions would increase by 3.4% per annum.

Standard S1NA YoB mortality tables were used, with female members' mortality rated down by one year and no age rating adjustment made with respect to male members' mortality. Use of mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of notional assets of the scheme was £32,434 million and the value of the technical provisions was £35,344 million indicating a deficit of £2,910 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to Members after allowing for expected future increase in earnings.

16 Pensions (continued)

Universities Superannuation Scheme (continued)

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004, the scheme was 93% funded. On a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company.

From 1 October 2011, the USS pension scheme has two sections – the Final Salary section and the Career Revalued benefits section. Both are 'defined benefit'.

The institution contribution rate required for future service benefits alone at the date of the valuation was 12.8% of pensionable salaries in the final salary section and 5.2% in the career revalued benefits section. Member contributions will be 7.5% of pensionable salaries in the final salary Scheme and 6.5% in the career revalued benefits section. In addition, the trustee company has determined a plan to pay off the deficit of £2,910 million, which will require deficit contributions of 3.4% of salaries each year for the first six years.

Surpluses or deficits which arise at future valuations may impact on the company's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in the USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation will be as at 31 March 2014. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the charity was £118,313 (2012 - £95,900). The contribution rate payable by ECU was 16% of pensionable salaries.

17 Related party transactions

Owing to the nature of the charity's operations and the composition of the Board of Trustees drawn from the higher education sector organisations it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's normal procurement procedures.